

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Constellation Energy Generation, LLC	)	
	)	Docket No. EL25-20-000
v.	)	
PJM Interconnection, L.L.C.	)	
	)	

**ANSWER AND MOTION FOR LEAVE TO ANSWER  
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),<sup>2</sup> submits this answer to the answer submitted by Constellation Energy Group, LLC (“CEG”), on December 24, 2024, to the Market Monitor’s answer submitted in this proceeding filed, December 20, 2024 (“IMM Answer”). CEG again does not attempt to show that PJM’s existing rules for Network Load are unjust and unreasonable. CEG improperly defends its proposal to include PJM’s informal Guidance Document in the OATT despite the fact that the Guidance Document does not reflect PJM’s position on co-location issues and that the Guidance Document has never been shown to be just and reasonable. The Complaint should be rejected.

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<sup>1</sup> 18 CFR §§ 385.212 & 385.213 (2024).

<sup>2</sup> Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”).

## I. ANSWER

CEG reiterates its attempt at an end run on the Commission's process for defining rules related to co-located load. CEG argues for a quick and clear resolution of its complaint. The best quick and clear resolution of CEG's complaint would be to deny it and state clearly that there is no provision in PJM's tariff that allows the type of co-located arrangement that CEG wants.

CEG's rush to implement its faulty co-location proposal despite the fact that its premises are incorrect and despite the fact that the Commission has begun an appropriate deliberative process should be rejected.<sup>3</sup>

CEG has not shown that PJM's rules for interconnection are unjust and unreasonable. The fact that PJM's rules do not provide for CEG's unjust and unreasonable proposal does not make PJM's rules unjust and unreasonable.

As PJM states, the Guidance Document does not represent PJM's position on the issue of co-located load. The PJM Guidance Document has never been filed with the Commission, and it has never been determined to be just and reasonable. CEG's entire argument depends upon incorporating the nonbinding and obsolete Guidance Document in the tariff without the necessary regulatory scrutiny. CEG's simple assertion that the Guidance Document should be added to the tariff is not correct, is unsupported and is unsupportable. Yet that is CEG's entire argument.

CEG ignores the opening disclaimer at the top of the Guidance Document that states that the document is "intended to be used for general informational purposes only and is subject to change." The document also states that the Guidance Document does not supersede the OATT and PJM Market Rules and that PJM Market Rules control in the event of any inconsistency.

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<sup>3</sup> See Comments of the Independent Market Monitor for PJM, Docket No. AD24-11-000 (December 16, 2024) ("IMM Comments re Co-Located Loads").

CEG also ignores the first point in the Guidance Document which would rule out CEG's proposed approach:

PJM continues to recommend that all co-located load be served from the PJM Transmission System as PJM Network Load with applicable firm transmission service (e.g., Regional Network Integration Transmission Service (NITS) under PJM Tariff, Part III).

The Complaint should be dismissed without any further consideration of directing PJM to adopt tariff changes.<sup>4</sup>

The current OATT does not provide special rules for co-located loads. Attempts to circumvent the OATT via private multiparty ISAs should be rejected, as the Commission rejected the Amended ISA of Susquehanna and PPL.<sup>5</sup>

CEG fails to show that its proposed relief is just and reasonable and not unduly discriminatory.

CEG conflates co-located load with behind the meter generation. They are not the same thing, CEG's efforts to confuse matters notwithstanding.

The fact that PJM engaged in confidential negotiations with Talen to develop the now rejected Amended ISA that modified the initial ISA to account for some PJM concerns does not provide any additional credibility to the Guidance Document. PJM should not have attempted to rewrite the tariff through a confidential agreement with interested counterparties. The co-located load issues are matters of public policy that must be decided by the Commission and not by PJM or Talen or CEG, based on their private interests.

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<sup>4</sup> The rules for studying large load additions require reform, but that is beyond the scope of this Complaint.

<sup>5</sup> See *PJM Interconnection, L.L.C.*, 189 FERC ¶ 61,078 (2024).

The Market Monitor agrees with PJM that co-located proposals were considered and rejected by PJM stakeholders. The Market Monitor's Answer explains the history in more detail.<sup>6</sup> CEG mischaracterizes the topic of those discussions.

Contrary to CEG, the "other" co-located load issues cannot be resolved separately from the CEG complaint. Co-located load issues are inextricably interrelated and a decision cannot be made on one part without implications for the entire bundle of issues. CEG would have the Commission approve a dramatic change to allow co-located load under its proposed terms while only later discussing the related detailed policy decisions that fundamentally determine the economics of such arrangements. There is no such thing as "fully isolated co-located load" as has been demonstrated repeatedly.

CEG's proposal would allow the interconnection of large loads that could put the PJM system at risk by unilaterally removing capacity resources from the market and dedicating them to individual customers. The process of interconnecting large new loads must be subject to regulatory oversight precisely to maintain the reliability of the PJM system for all customers.

CEG proposes (at 23) the implementation of settlement procedures to resolve the Complaint. Attempting to resolve this matter through settlement proceedings would be a significant mistake. Issues concerning the treatment of co-located load have major and far reaching policy implications. These issues must be resolved objectively, transparently and in the public interest. The Market Monitor opposes subjecting the issues to any kind of settlement process. These are issues that require a review process and decision by the Commission.

The CEG Complaint should be rejected.

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<sup>6</sup> IMM Answer (December 20, 2024).

Separately, the development of a policy approach that recognizes the multiple and complex transmission, reliability and markets issues raised by the addition of large loads to PJM and other wholesale power markets should continue.<sup>7</sup>

## II. MOTION FOR LEAVE TO ANSWER

The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to protests, answers, or requests for rehearing unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.<sup>8</sup> In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

## III. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this answer as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



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Jeffrey W. Mayes

General Counsel

Joseph E. Bowring  
Independent Market Monitor for PJM  
President

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<sup>7</sup> See IMM Comments re Co-Located Loads; *Large Loads Co-Located at Generating Facilities*, Docket No. AD24-11-000.

<sup>8</sup> See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

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Dated: January 7, 2025

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,  
this 7<sup>th</sup> day of January, 2025.



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